

# ***Oklahoma Institute for Child Advocacy***

***Oklahoma City, Oklahoma***

## ***REPORT ON AUDIT OF FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION***

***For the Year Ended December 31, 2009***

### ***SAUNDERS & ASSOCIATES, PLLC***

***Certified Public Accountants***

***630 East 17th Street***

***P. O. Box 1406***

***Ada, Oklahoma 74820***

***(580) 332-8548***

***FAX: (580) 332-2272***

***E-mail: sndrgrp@yahoo.com***

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

TABLE OF CONTENTS

December 31, 2009

	<u>Page</u>
Independent Auditor's Report .....	1
FINANCIAL STATEMENTS:	
Statement of Financial Position .....	2
Statement of Activities .....	3
Statement of Functional Expenses .....	5
Statement of Cash Flows .....	7
Notes to Financial Statements .....	8
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	16
SUPPLEMENTAL INFORMATION:	
Schedule of Expenditures of Federal Awards .....	18
Schedule of Expenditures of State awards .....	19
Status of Prior Audit Findings.....	20
Schedule of Findings and Responses .....	21

# Saunders & Associates, PLLC

Certified Public Accountants

---

P.O. Box 1406 • 630 East 17th • Ada, Oklahoma 74820 • (580) 332-8548 • FAX: (580) 332-2272  
E-mail [sndrgrp@yahoo.com](mailto:sndrgrp@yahoo.com)

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Oklahoma Institute for Child Advocacy  
Oklahoma City, Oklahoma

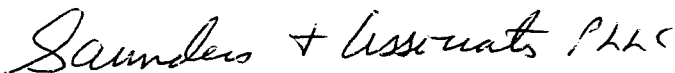
We have audited the accompanying statement of financial position of Oklahoma Institute for Child Advocacy as of December 31, 2009, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of Oklahoma Institute for Child Advocacy's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Oklahoma Institute for Child Advocacy's fiscal year 2008 financial statements, which were audited by Eide Bailly LLP and whose report dated July 28, 2009, expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Oklahoma Institute for Child Advocacy's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oklahoma Institute for Child Advocacy as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 20, 2010 on our consideration of Oklahoma Institute for Child Advocacy's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Oklahoma Institute for Child Advocacy taken as a whole. The accompanying supplemental information, as listed in the preceding table of contents, is presented for purposes of additional analysis. This supplemental information is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



SAUNDERS & ASSOCIATES, PLLC  
Certified Public Accountants

May 20, 2010

## FINANCIAL STATEMENTS

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

STATEMENT OF FINANCIAL POSITION

December 31, 2009  
(With Comparative Totals for 2008)

<u>ASSETS</u>	<u>2009</u>	<u>2008</u>
<u>Current Assets:</u>		
Cash and Cash Equivalents:		
Unrestricted	\$ 26,403	\$ 82,383
Temporarily Restricted	314,235	269,076
Total Cash and Cash Equivalents	<u>340,638</u>	<u>351,459</u>
Accounts Receivable	171,879	196,504
Employee Advance	0	18
Total Current Assets	<u>512,517</u>	<u>547,981</u>
Long-Term Contributions and Grants Receivable	<u>7,500</u>	<u>17,500</u>
<u>Property and Equipment:</u>		
Computers and Software	110,015	108,819
Office Equipment	18,640	25,136
Furniture and Fixtures	5,557	5,557
Less Accumulated Depreciation	<u>(108,594)</u>	<u>(110,174)</u>
Net Property and Equipment	<u>25,618</u>	<u>29,338</u>
<u>Other Assets:</u>		
Security Deposit	<u>5,208</u>	<u>5,208</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 550,843</u></b>	<b><u>\$ 600,027</u></b>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 5,043	\$ 14,027
Accrued Expenses	1,707	3,435
Deferred Revenue	35,500	0
Unearned Subscription Revenue	0	2,225
Total Current Liabilities	<u>42,250</u>	<u>19,687</u>
<u>Net Assets:</u>		
Unrestricted	100,569	191,926
Investment in Furniture and Equipment	25,618	29,338
Total Unrestricted	<u>126,187</u>	<u>221,264</u>
Temporarily Restricted	<u>382,406</u>	<u>359,076</u>
Total Net Assets	<u>508,593</u>	<u>580,340</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 550,843</u></b>	<b><u>\$ 600,027</u></b>

\* The accompanying notes are an integral part of the financial statements.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2009  
(With Comparative Totals for 2008)

	Unrestricted	Temporarily Restricted	Total 2009	Total 2008
<b><u>SUPPORT AND REVENUE</u></b>				
<b><u>Support:</u></b>				
Contributions	\$ 28,570	\$ 0	28,570	\$ 92,669
Investment Income	1,449	0	1,449	10,292
Honorariums	1,013	0	1,013	0
Special Services - Accounting	6,500	0	6,500	5,500
Subscriptions Revenue:				
Children's Information Network	6,300	0	6,300	5,575
Annual Event Income:				
Fall Forum	67,521	0	67,521	74,569
Friends of Children	20,693	0	20,693	61,751
In-Kind Contributions	0	1,136	1,136	10,560
Restricted Contributions	0	59,527	59,527	94,780
	<hr/>	<hr/>	<hr/>	<hr/>
Total Support	132,046	60,663	192,709	355,696
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>Grants:</u></b>				
Governmental:				
Healthy Mothers - Healthy Babies	0	67,686	67,686	63,964
Healthy Teen Oklahoma	0	214,381	214,381	150,363
Oklahoma Afterschool Network -				
OSDH/ODHS/OSDE	0	139,691	139,691	78,067
Teen Pregnancy Prevention	0	59,078	59,078	57,684
Adolescent Prevention of Pregnancy and Risk	0	88,632	88,632	51,628
Youth Asset Survey	0	30,379	30,379	50,746
Other:				
KIDS COUNT	0	75,000	75,000	75,000
Oklahoma Afterschool Network:				
Mott Foundation	0	75,000	75,000	93,750
Sarkeys Foundation	0	50,000	50,000	0
Ready By 21 - Quality Counts	0	40,000	40,000	30,000
Oklahoma Fit Kids Coalition	0	164,338	164,338	138,439
Policy Advocacy Campaign	0	40,205	40,205	42,900
Policy Enhancement	0	0	0	40,000
Power Through Choices	0	0	0	15,000
Teen Pregnancy Prevention Expansion	0	14,714	14,714	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Grants	0	1,059,104	1,059,104	887,541
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets Released From Restrictions	1,096,437	(1,096,437)	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Support and Grants	1,228,483	23,330	1,251,813	1,243,237
	<hr/>	<hr/>	<hr/>	<hr/>

\* The accompanying notes are an integral part of the financial statements.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2009  
(With Comparative Totals for 2008)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2009</u>	<u>Total 2008</u>
<b><u>EXPENSES</u></b>				
Program Services:				
Child Health and Fitness	250,663	0	250,663	263,843
Advocacy	192,927	0	192,927	204,200
Youth Initiatives	416,373	0	416,373	330,632
Oklahoma Afterschool Network	236,474	0	236,474	216,596
Total Program Services	<u>1,096,437</u>	<u>0</u>	<u>1,096,437</u>	<u>1,015,271</u>
Support Services:				
General Programs	68,223	0	68,223	91,943
General and Administrative	151,986	0	151,986	115,627
Fundraising	6,914	0	6,914	8,052
Total Support Services	<u>227,123</u>	<u>0</u>	<u>227,123</u>	<u>215,622</u>
Total Expenses	<u>1,323,560</u>	<u>0</u>	<u>1,323,560</u>	<u>1,230,893</u>
Change in Net Assets	(95,077)	23,330	(71,747)	12,344
Net Assets, Beginning of Year	<u>221,264</u>	<u>359,076</u>	<u>580,340</u>	<u>567,996</u>
NET ASSETS, END OF YEAR	<u>\$ 126,187</u>	<u>\$ 382,406</u>	<u>\$ 508,593</u>	<u>\$ 580,340</u>

\* The accompanying notes are an integral part of the financial statements.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2009  
(With Comparative Totals for 2008)

	Advocacy	Child Health	Youth Initiatives	Oklahoma Afterschool Network	Total Program
<b>EXPENSES</b>					
Salaries	\$ 104,954	\$ 168,073	\$ 212,526	\$ 90,927	\$ 576,480
Payroll Taxes	7,099	11,790	15,155	6,620	40,664
Staff Benefits	11,608	12,645	8,174	1,938	34,365
Retirement	2,797	4,609	4,966	2,471	14,843
Worker's Compensation Insurance	475	928	1,318	450	3,171
Advertising	0	0	0	0	0
Audit	2,052	2,470	4,034	1,760	10,316
Bank Charges	0	74	0	0	74
Board Expenses	0	0	0	0	0
Conferences/Meetings	0	12,102	16,852	19,528	48,482
Consultant/Trainers	8,750	2,587	35,000	38,969	85,306
Data Analyst	17,500	0	0	0	17,500
Data Book	8,356	0	0	0	8,356
Depreciation	0	0	0	0	0
Dues and Memberships	0	0	0	0	0
Educational/Briefing Materials	0	0	11,831	0	11,831
Equipment Lease/Maintenance	855	1,530	3,283	2,533	8,201
Equipment Purchase	0	271	847	193	1,311
Facilities Expense	0	0	0	0	0
Fundraising	0	0	0	0	0
Insurance	0	0	0	0	0
Leadership Development	5,957	0	0	0	5,957
Lobbying Expense	0	0	0	0	0
Local program Incentives	0	156	27,687	22,000	49,843
Marketing/Communications	0	0	0	2,154	2,154
Moving Expense	0	0	0	0	0
In-Kind	0	0	1,136	0	1,136
Postage	371	2,980	1,341	624	5,316
Printing/Copying	1,937	2,960	7,261	7,690	19,848
Promotional Materials	0	302	0	0	302
Public Awareness	402	0	3,021	0	3,423
Rent	8,460	13,620	16,920	10,500	49,500
Staff Training	0	0	3,891	0	3,891
Student Intern Expense	0	0	2,640	5,006	7,646
Subscriptions	1,152	0	0	0	1,152
Supplies	1,832	2,225	6,495	2,153	12,705
Technical Assistance	1,000	1,100	1,490	1,375	4,965
Telephone	4,386	4,740	8,682	3,392	21,200
Travel	2,984	5,501	21,823	16,191	46,499
<b>TOTAL EXPENSES</b>	<b>\$ 192,927</b>	<b>\$ 250,663</b>	<b>\$ 416,373</b>	<b>\$ 236,474</b>	<b>\$ 1,096,437</b>

\* The accompanying notes are an integral part of the financial statements.



OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2009  
(With Comparative Totals for 2008)

	General Programs	Fund- raising	General and Adminis- trative	Total Supporting Services	Total 2009	Total 2008
<b>EXPENSES</b>						
Salaries	\$ 9,707	\$ 0	\$ 57,706	\$ 67,413	\$ 643,893	\$ 637,320
Payroll Taxes	924	0	4,105	5,029	45,693	45,819
Staff Benefits	2,854	0	8,329	11,183	45,548	42,001
Retirement	243	0	1,113	1,356	16,199	16,769
Worker's Compensation Insurance	0	0	191	191	3,362	3,209
Advertising	0	0	424	424	424	1,620
Audit	0	0	1,934	1,934	12,250	8,099
Bank Charges	0	0	683	683	757	1,260
Board Expenses	0	0	1,538	1,538	1,538	2,030
Conferences/Meetings	49,155	0	0	49,155	97,637	94,431
Consultant/Trainers	0	0	23,133	23,133	108,439	43,909
Data Analyst	0	0	0	0	17,500	12,400
Data Book	0	0	0	0	8,356	35,196
Depreciation	0	0	17,501	17,501	17,501	22,219
Dues and Memberships	0	0	3,502	3,502	3,502	3,448
Educational/Briefing Materials	0	0	(988)	(988)	10,843	17,548
Equipment Lease/Maintenance	0	0	300	300	8,501	7,180
Equipment Purchase	0	0	260	260	1,571	3,276
Facilities Expense	0	0	1,549	1,549	1,549	2,109
Fundraising	0	6,914	0	6,914	6,914	8,052
Insurance	0	0	3,480	3,480	3,480	2,858
Leadership Development	0	0	0	0	5,957	4,924
Lobbying Expense	4,132	0	0	4,132	4,132	13,236
Local program Incentives	0	0	0	0	49,843	0
Marketing/Communications	0	0	0	0	2,154	3,292
Moving Expense	0	0	0	0	0	12,626
In-Kind	0	0	0	0	1,136	6,137
Postage	69	0	355	424	5,740	5,008
Printing/Copying	136	0	589	725	20,573	21,770
Promotional Materials	0	0	0	0	302	0
Public Awareness	0	0	0	0	3,423	2,029
Rent	0	0	12,996	12,996	62,496	47,086
Staff Training	0	0	1,800	1,800	5,691	3,625
Student Intern Expense	0	0	0	0	7,646	12,464
Subscriptions	45	0	485	530	1,682	1,838
Supplies	0	0	4,546	4,546	17,251	13,070
Technical Assistance	0	0	7,667	7,667	12,632	6,541
Telephone	333	0	1,174	1,507	22,707	21,798
Travel	625	0	(2,386)	(1,761)	44,738	44,696
<b>TOTAL EXPENSES</b>	<b>\$ 68,223</b>	<b>\$ 6,914</b>	<b>\$ 151,986</b>	<b>\$ 227,123</b>	<b>\$ 1,323,560</b>	<b>\$ 1,230,893</b>

\* The accompanying notes are an integral part of the financial statements.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2009  
(With Comparative Totals for 2008)

	<u>2009</u>	<u>2008</u>
<u>Cash Flows From Operating Activities</u>		
Change in Net Assets	\$ (71,747)	\$ 12,344
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	17,501	22,219
(Increase) Decrease in Accounts Receivable	34,626	(52,103)
(Increase) Decrease in Employee Advance	18	22
(Increase) Decrease in Other Assets	0	(4,426)
Increase (Decrease) in Accounts Payable	(8,984)	(11,408)
Increase (Decrease) in Accrued Expenses	(1,728)	1,668
Increase (Decrease) in Unearned Subscription Revenue	(2,225)	875
Increase (Decrease) in Deferred Revenue	35,500	0
Net Cash Provided (Used) by Operating Activities	<u>2,961</u>	<u>(30,809)</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of Property and Equipment	<u>(13,782)</u>	<u>(21,892)</u>
Net Cash Provided (Used) by Investing Activities	<u>(13,782)</u>	<u>(21,892)</u>
Net Increase (Decrease) in Cash	(10,821)	(52,701)
Cash at Beginning of Year	<u>351,459</u>	<u>404,160</u>
CASH AT END OF YEAR	<u>\$ 340,638</u>	<u>\$ 351,459</u>

\* The accompanying notes are an integral part of the financial statements.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

NOTE 1: ORGANIZATION MISSION AND NATURE OF ACTIVITIES

The Oklahoma Institute for Child Advocacy (Organization) was organized in 1983 as a not-for-profit corporation for children in Oklahoma. The Organization's mission is to create awareness, take action, and change policy on behalf of children and youth. The Organization affirms the value and vulnerability of children and youth by raising awareness of their needs, and by promoting public policies, programs and preventive strategies to ensure that they reach their full potential.

**Advocacy** – To ensure that the needs of children and youth are a priority in local and state policy and budgetary decision making.

Programs and Activities:

The Children's Information Network (CIN) – Legislative advocacy, training and technical assistance, and publications (alerts, enewsletters).

Oklahoma KIDS COUNT Partnership – Annual Factbook, KIDS COUNT leadership class, and Child Watch tours.

Annual Fall Forum on Children's Issues – Education on children's issues and Development of the Children's Legislative Agenda.

Annual Friends of Children Awards – Recognizing outstanding efforts on behalf of Oklahoma's children.

Policy Enhancement – Effecting policy changes to increase access to health care coverage for low income working families and their children.

Policy Advocacy Campaign – Work with Smart Start communities to infuse early childhood issues into the election process and train advocates in the agenda-setting process to effect policy on early childhood issues at the legislature.

**Maternal and Child Health & Fitness** – To address the health care needs of children and families through education, outreach, and access to health coverage. To create public awareness, education, and legislative advocacy regarding childhood obesity reduction in Oklahoma.

Programs and Activities:

Healthy Mothers, Healthy Babies Coalition – Public awareness and education, advocacy on health issues related to mothers and infants, professional training.

Oklahoma Infant Alliance – Education and advocacy to improve the health and quality of care of late pre-term infants.

Oklahoma Fit Kids Coalition – Public awareness, education, and legislative advocacy regarding childhood obesity reduction in Oklahoma.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

NOTE 1: ORGANIZATION MISSION AND NATURE OF ACTIVITIES, CONTINUED

**Youth Initiatives** – To promote key data, research, “best practice” strategies, program resources and collaborative efforts that will help expand programs and policies to address the needs of youth more effectively and link prevention with positive youth development from an assets-based approach.

Program Activities:

Teen Pregnancy Prevention Project – Postponing Sexual Involvement (PSI) curriculum, Positive Ways high school peer educators, and parent education and involvement.

Adolescent Pregnancy & Risk-Taking Behaviors Prevention – Outreach to at-risk teens through a school-based program promoting teen pregnancy prevention strategies and positive youth development through an asset based approach. This also uses the PSI curriculum and Positive Ways high school peer educators.

Youth Asset Survey – Teen interviews, preparation of academic journal articles and dissemination of research findings; linking prevention with youth development.

Healthy Teens OK (Teen Pregnancy Prevention) – State teen pregnancy prevention work with the state coalition and state/national partner organizations.

**Oklahoma Afterschool Network**

Program Activities:

Oklahoma Afterschool Network (OKAN) – Statewide network that works to ensure that all children and youth in Oklahoma have access to quality out-of-school time opportunities that help keep them safe, healthy, and learning.

Ready by 21 Initiative Quality Counts – Technical assistance and tools for programs and policy development for youth focused on strengthening the leadership and quality improvement of out-of-school programs based on community participation of out-of-school providers.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. In addition, certain in-kind donations including awards, printing, and advertising have not been reflected in the accompanying financial statements.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Presentation – The financial statement presentation follows Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities to three classes of net assets:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned from the assets.

Cash and Cash Equivalents – For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

Property and Equipment – Property and equipment are recorded at cost for purchased items, or fair value at the date of receipt for donated items when the asset has a useful life greater than one year and, generally, a cost of more than \$1,000. Depreciation is provided on a straight-line basis over a three to seven year period that estimates its useful life.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes – The Organization is a not-for-profit corporation exempt from federal income taxes on income related to its exempt purpose under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for the federal income taxes in the accompanying financial statements. The Organization has also made the election for lobbying expenses as allowed by section 501(h) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Services not to be a “private foundation” within meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income during 2009.

Support, Revenue and Contributions – The Organization receives grants and contract support from the Oklahoma State Department of Health, the Oklahoma State Department of Human Services, the Oklahoma Tobacco Settlement Endowment Trust, the Oklahoma State Department of Education, the United States Department of Health and Human Services, and other private foundations and corporations.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Grants and Contributions received are recorded as revenue at their estimated fair values on the date of receipt or upon satisfaction of any grantor or donor restrictions and are reflected as grants and contributions in the accompanying financial statements. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future period or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Concentration of Credit Risk – Financial instruments that potentially expose the Organization to concentrations of credit risk consist of cash. (See Note 3)

The Organization changed in June 2009 from having a "Customer Sweep Agreement" with a local bank, whereby amounts on deposit in the Organization's general operating account are, at the close of each business day, used to purchase government and government agency securities. All government securities held on behalf of the Organization were then redeemed and credited to the general operating bank account the following business day. The government securities were not obligations of the bank and were not insured by the Federal Deposit Insurance Corporation and not guaranteed by the U.S. government; however, they were backed by the full faith and credit of the U. S. government. In June 2009, the Organization discontinued the Customer Sweep Agreement on its business checking account. It transferred \$100,000 to a commercial Treasury Fund interest bearing account. The Organization had \$100,764 held in the Commercial Treasury Fund account at December 31, 2009 and \$252,502 in the checking account.

The Organization maintains a separate Cafeteria Plan checking account that holds employee payroll deductions for medical expense reimbursements. At December 31, 2009, this checking account held \$61.

NOTE 3: CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of demand deposits and time deposits maintained at financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposits are carried at cost. Bank balances at year-end are categorized as follows to give an indication of the level of risk assumed by the organization.

Unreconciled

<u>Category</u>	<u>Carrying Amount</u>
1) Insured or collateralized with securities held by the organization or by its agent in the organization's name.	\$ 355,663
2) Collateralized with securities held by the pledging financial institution's Trust department.	0
3) Uncollateralized	<u>0</u>
TOTAL	<u>\$ 355,663</u>

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

NOTE 4: IN-KIND CONTRIBUTIONS

Management estimates between 40 to 80 per month for clerical services and assistance to staff are contributed by student interns and volunteers. The value of this contributed time is not reflected in the accompanying financial statements since it does not meet the accounting criteria for recognition.

In addition, in-kind donations of items for the Teen Pregnancy Prevention training were \$1,136 for 2009.

NOTE 5: ACCOUNTS RECEIVABLE – GRANTS AND CONTRACTS

As of December 31, 2009, accounts receivable from grants and contracts were composed of:

Temporarily Restricted Grants and Contracts

Sarkeys Foundation - OKAN	\$ 25,000
Mott Foundation – OKAN	<u>75,000</u>
Total Temporarily Restricted Grants and Contracts	<u>100,000</u>

Unrestricted Accounts Receivable

State Department of Health –	
Healthy Mothers – Healthy Babies Program	5,180
Teen Pregnancy Prevention Program	4,167
Oklahoma Afterschool Network	7,387
Adolescent Pregnancy and Risk Taking Behavior Prevention	6,378
Oklahoma Fit Kids Coalition –	
Project Management Contract	16,964
Accounting Services Contract	500
State Department of Education –	
Oklahoma Afterschool Network	17,793
Fall Forum Registrations	2,340
First United Rent Contribution	17,500
Kids Count Leadership	<u>1,170</u>
Total Unrestricted Accounts Receivable	<u>79,379</u>

TOTAL ACCOUNTS RECEIVABLE	\$ <u>179,379</u>
---------------------------	-------------------

All of the accounts receivable are due to be received as follows:

Receivables due in less than one year	\$ 171,879
Receivables due in one year – First United Rent Contribution	<u>7,500</u>
Total	179,379
Less Current Portion	<u>(171,879)</u>
Long-Term Portion	<u>\$ 7,500</u>

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

NOTE 6: PROPERTY AND EQUIPMENT

	Balance 12/31/08	Additions	Retirements	Balance 12/31/09
Property and Equipment				
Computers and Software	\$ 108,819	\$ 13,782	\$( 12,586)	\$ 110,015
Office Equipment	25,136	0	( 6,496)	18,640
Furniture and Fixtures	5,557	0	0	5,557
Total	139,512	13,782	( 19,082)	134,212
Accumulated Depreciation	( 113,174)	\$( 17,501)	\$ 19,081	( 108,594)
Net Property and Equipment	\$ 29,338			\$ 25,618

Depreciation expense recorded in the statement of functional expenses for the year ended December 31, 2009 was \$17,501.

NOTE 7: DEFERRED REVENUE – GRANTS & CONTRACTS

As of December 31, 2009, deferred revenue from grants and contracts was composed of:

Temporarily Restricted Grants and Contracts	
Kirkpatrick Family Fund	\$ 35,500
Total Temporarily Restricted Grants and Contracts	\$ 35,500

NOTE 8: RESTRICTED NET ASSETS

Net assets were temporarily restricted for the following donor restricted purposes as of December 31, 2009:

Advocacy	\$ 67,688
Child Health and Fitness	9,303
Youth Initiatives	103,842
Oklahoma Afterschool Network	201,573
Total Temporarily Restricted Net Assets	\$ 382,406

NOTE 9: UNEARNED SUBSCRIPTION REVENUE

The Organization conducted a legislative information network for subscribers called the "Children's Information Network." No subscription fees were received before December 31, 2009 for 2010.



OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

NOTE 10: EMPLOYEE BENEFITS

Employees of the Oklahoma Institute for Child Advocacy are given the option of participating in the organization's SIMPLE IRA Retirement Plan. The Organization offers a matching amount permitted by the SIMPLE plan of 3% of wages with a maximum contribution allowed by law. The cost that was recognized for the year ended December 31, 2009 was \$16,200.

NOTE 11: FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NOTE 12: LEASE COMMITMENTS

The Organization leases facilities under an operating lease. The Organization signed a three-year lease agreement with First United Bank & Trust for 5,000 square feet of office space located at 3909 N. Classen Boulevard, Oklahoma City, OK 73118 effective September 1, 2008 and ending August 31, 2011. The official move date was September 15, 2008. A security deposit in the amount of \$5,208 was paid at the time. First United Bank & Trust further signed a pledge agreement to make a contribution up to the maximum aggregate amount of \$30,000 over the course of the lease to be paid monthly in the approximate amount of \$833.33 for 36 months. The future minimum lease payments are as follows:

<u>Year Ending December 31,</u>	
2010	\$ 62,496
2011	<u>41,664</u>
Total	<u>\$ 104,160</u>

Lease expense relating to the facilities was \$62,496 for 2009 and was included as rent expense in the statement of functional expenses.

The Organization signed a five-year lease agreement on a Ricoh Aficio Color copier in January 2008, for which monthly payments are \$598. The future minimum lease payments under the agreement are as follows:

<u>Year Ending December 31,</u>	
2010	\$ 7,716
2011	7,176
2012	<u>7,176</u>
Total	<u>\$ 21,528</u>

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

NOTE 13: RELATED PARTY TRANSACTIONS

During 2009, the executive director for the Organization was a member of the board for an organization called Oklahoma Fit Kids Coalition, Inc. (the Coalition). In the summer of 2004, the Coalition began contracting with the Oklahoma Institute for Child Advocacy to manage the operation, including working with the schools and communities to implement new legislation, raise awareness about the issue of childhood obesity, and recruit new partners to expand the effort. For 2009, expenses billed to the Coalition were \$164,338 that includes a receivable remaining as of December 31, 2009 of \$16,964.

The Coalition contracted with the Organization in 2009 to provide all accounting services. The total accounting services revenue to the Organization in 2009 from the Coalition was \$6,500.

# Saunders & Associates, PLLC

Certified Public Accountants

---

P.O. Box 1406 • 630 East 17th • Ada, Oklahoma 74820 • (580) 332-8548 • FAX: (580) 332-2272  
E-mail [sndrsgrp@yahoo.com](mailto:sndrsgrp@yahoo.com)

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Oklahoma Institute for Child Advocacy  
Oklahoma City, Oklahoma

We have audited the financial statements of Oklahoma Institute for Child Advocacy as of and for the year ended December 31, 2009, and have issued our report thereon dated May 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oklahoma Institute for Child Advocacy's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oklahoma Institute for Child Advocacy's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Oklahoma Institute for Child Advocacy's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Oklahoma Institute for Child Advocacy's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the board of directors, others within the entity, federal awarding agencies, and pass-through entities, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Saunders & Associates PLLC*

SAUNDERS & ASSOCIATES, PLLC

Certified Public Accountants

May 20, 2010

## SUPPLEMENTAL INFORMATION

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2009

Grantor/Pass-Through Agency	Federal CFDA Number	Funding Period	Pass - Through Identifying Number	Revenues Recognized	Federal Expenditures
<u>Department of Health and Human Services</u>					
<b>Direct:</b>					
Maternal, Infant, and Reproductive Health - Healthy Teen Oklahoma FY '09	93.946	09/30/08 - 09/29/09	---	\$ 170,517	\$ 170,517
Healthy Teen Oklahoma FY '10	93.946	09/30/09 - 09/29/10	---	43,864	43,864
Pass-Through From the University of Oklahoma Health Sciences Center:					
Youth Asset Survey	93.946	06/01/09 - 11/30/09	U01 DP000132-05	17,524	17,524
Youth Asset Survey	93.946	06/01/08 - 05/31/09	U01 DP000132-04	12,856	12,856
Total Department of Health and Human Services				244,761	244,761
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<b>\$ 244,761</b>	<b>\$ 244,761</b>

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

SCHEDULE OF EXPENDITURES OF STATE AWARDS

For the Year Ended December 31, 2009

Grantor	Grant Identifying Number	Funding Period	Revenues Recognized	State Expenditures
<u>Department of Human Services</u>				
Oklahoma Afterschool Network	09000808	07/1/08 - 06/30/09	\$ 24,839	\$ 24,839
Oklahoma Afterschool Network	10000720	07/01/09 - 06/30/10	385	385
Total Department of Human Services			25,224	25,224
<u>Department of Education</u>				
Oklahoma Afterschool Network	2659009692	09/01/08 - 08/31/09	18,419	18,419
Oklahoma Afterschool Network	2659011446	09/01/09 - 08/31/10	17,793	17,793
Total Department of Education			36,212	36,212
<u>Department of Health</u>				
Healthy Mothers - Healthy Babies	3409001433	07/1/08 - 06/30/09	36,002	36,002
Healthy Mothers - Healthy Babies	3409013504	07/01/09 - 06/30/10	31,684	31,684
Oklahoma Afterschool Network	3409012222	07/1/08 - 06/30/09	54,754	54,754
Oklahoma Afterschool Network	3409013639	07/01/09 - 06/30/10	23,501	23,501
Teen Pregnancy Prevention	3409005165	07/1/08 - 06/30/09	32,912	32,912
Teen Pregnancy Prevention	3409005165	07/01/09 - 06/30/10	26,167	26,167
Prevention of Adolescent Pregnancy and Risk Taking Behavior	3409011964	07/1/08 - 06/30/09	50,614	50,614
Prevention of Adolescent Pregnancy and Risk Taking Behavior	3409011964	07/01/09 - 06/30/10	38,017	38,017
Total Department of Health			293,651	293,651
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b>\$ 355,087</b>	<b>\$ 355,087</b>

\* The accompanying notes are an integral part of the financial statements.

OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

STATUS OF PRIOR AUDIT FINDINGS

December 31, 2009

08-1 UNRECORDED REVENUE

Condition: Financial Reporting controls did not identify revenue contributions from a pledged facility rent donation and a foundation grant.

Current Status: This finding can be cleared.

\* The accompanying notes are an integral part of the financial statements.



OKLAHOMA INSTITUTE FOR CHILD ADVOCACY  
Oklahoma City, Oklahoma

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2009

None reported.

\* The accompanying notes are an integral part of the financial statements.